



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA  
Chief Executive Officer

October 19, 2010

**TO:** Supervisor Gloria Molina, Chair  
Supervisor Mark Ridley-Thomas  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

**FROM:** William T Fujioka  
Chief Executive Officer

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## **QUARTERLY REPORT ON IN-HOME SUPPORTIVE SERVICES ANTI-FRAUD PLAN (ITEM NO. 22, AGENDA OF NOVEMBER 24, 2009)**

In response to your Board Motion of November 24, 2009, introduced by Supervisor Ridley-Thomas, this is the second quarterly report relative to In-Home Supportive Services (IHSS) anti-fraud strategies and related program integrity efforts. This report provides the highlights of the initiatives implemented to date, as outlined in the Department of Public Social Services (DPSS) IHSS Anti-Fraud Plan (AFP), approved by your Board on November 24, 2009.

The funding for the IHSS AFP for Fiscal Year (FY) 2009-10 ended June 30, 2010. The FY 2010-11 Plan was approved by your Board on August 17, 2010, and submitted to the State on August 26, 2010. Continuation of the Plan is contingent upon enactment of the final State budget and inclusion of ongoing funding. In the interim, DPSS and the District Attorney (DA) continue their anti-fraud efforts and are committed to commence work on the FY 2010-11 initiatives following budget confirmation.

### **Public Assistance Crime Enforcement Unit**

During the period of June through August 2010, the DA filed 33 felony cases against 46 defendants involving IHSS fraud. The amount of IHSS program losses charged in these cases is \$477,756. Several of these cases also included losses in other public assistance programs, aggregating the total loss to \$766,402.

*"To Enrich Lives Through Effective And Caring Service"*

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Since January 2010 when the Public Assistance Crime Enforcement Unit was first implemented in IHSS, the DA has filed 74 IHSS felony cases, charging 90 defendants with IHSS losses of \$955,404, and total public assistance fraud losses of \$1,351,274.

### **IHSS Quality Assurance/Front End Verification Reviews**

IHSS Quality Assurance (QA) staff, in partnership with the Front End Verification Review teams, completed the review of the State-mandated IHSS Hospital Stay Error Rate Study. The providers on these cases may have been overpaid by the State as a result of billing for services rendered while the IHSS consumer was hospitalized.

During this quarter, staff completed reviews of almost 3,000 claims with billed services to IHSS consumers who were hospitalized. A total of \$561,000 in overpayments was identified. Overpaid providers have either paid in full or agreed to a repayment plan totaling approximately \$264,000. The remaining 1,100 providers who have not responded to our notification are being further evaluated for potential fraud.

### **Automated System to Track All IHSS Investigations**

DPSS is in the process of conducting fact-finding interviews with staff involved in the various plan components in order to develop an automated tracking system to capture outcomes of QA reviews and fraud investigations as required by the State. The implementation of an automated IHSS tracking system for IHSS fraud investigations is targeted for completion by June 2011.

### **Data Mining**

DPSS' data mining vendor, SAS Corporation, has extensive experience applying the SAS *Fraud Framework for Government* to programs like IHSS. Based on experience with multiple clients, SAS has assisted other jurisdictions in the identification of fraud in a wide variety of personal care and medical services cases, including doctors shopping for narcotics, fraudulent dental procedures, and fraudulent Medicare claims.

SAS Corporation has submitted a proposal to DPSS to conduct a 90-day pilot project which will be configured to meet the needs of IHSS social workers and investigators. The pilot is targeted to commence this fall with a report to the Board due in January 2011.

I am confident that the fully integrated partnership between California Department of Health Care Services, the DA, and DPSS will continue to achieve maximum results. Given the milestones already realized, the benefits of these initiatives in protecting the integrity of the IHSS program and in rooting out fraud cannot be overstated.

Each Supervisor  
October 19, 2010  
Page 3

If you have any questions or require additional information, please contact David Seidenfeld at (213) 974-1457, or via email at [dseidenfeld@ceo.lacounty.gov](mailto:dseidenfeld@ceo.lacounty.gov).

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DS:JAB:cvb

c: County Counsel  
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